



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU ISSUES CORRECTED ALTERNATIVE CONNECT AMERICA MODEL II OFFERS TO 37 COMPANIES, EXTENDS THE ELECTION DEADLINE, AND SEEKS COMMENT ON LOCATION ADJUSTMENT PROCEDURES

WC Docket No. 10-90

Election Date: July 17, 2019

Comment Date: (14 days after date of Publication in the Federal Register)

I. CORRECTED A-CAM II OFFERS AND EXTENSION OF A-CAM II ELECTION DEADLINE

On May 2, 2019, the Wireline Competition Bureau (Bureau) released a Public Notice offering Alternative Connect America Model II (A-CAM II) support to rate-of-return carriers that are still receiving legacy support to fund the deployment of voice and broadband-capable networks in their service territories.¹ Subsequently, the Bureau identified errors related to 36 offers. In 34 instances, the model improperly deemed census blocks ineligible because the carrier's own facilities (or that of an affiliate) were not properly associated with it on FCC Form 477, making it appear that the census blocks were served by an unsubsidized competitor. In two instances, the corrections have been made to accurately reflect the common control or ownership (or lack thereof) of study areas in a state. In the instance where two study areas were erroneously assigned common control or ownership, the correction results in an additional offer, for a total of 37 corrected offers. The companies receiving corrected offers are identified in the Appendix. Report 16 shows the state-level offer of model-based support for each carrier that is eligible to elect A-CAM II support.² For only the affected carriers, Report 16 corrects Report 15, which was released with the May 2 Public Notice. No other changes were made, and all other companies' A-CAM II support amounts and deployment obligations remain the same.³

To provide carriers sufficient time to evaluate the corrected A-CAM II offers, we extend the deadline for acceptance by 30 days. For administrative simplicity, this extended deadline will apply to all

¹ Wireline Competition Bureau Announces Alternative Connect America Cost Model II Support Amounts Offered to Rate-of-Return Carriers to Expand Rural Broadband, WC Docket No. 10-90, Public Notice, DA 19-372 (WCB May 2, 2019).

² Available at <https://docs.fcc.gov/public/attachments/DOC-357276A1.xlsx>. The updated version of A-CAM reflecting these changes is v.2.5.2.

³ To the extent that carriers are eligible for transitional support because their A-CAM II offers are less than their legacy high-cost universal service support, the Universal Service Administrative Company has calculated and published the transitional support amounts at <https://www.usac.org/hc/rules-and-orders/rate-of-return-reform-order.aspx>.

A-CAM II offers, not only the ones we correct today. Carriers have until **July 17, 2019** to indicate, on a state-by-state basis, whether they elect to receive model-based support. If a carrier affected by one of these corrections has already filed an acceptance, it may withdraw its previous acceptance by the deadline if it chooses.

Carriers should submit their election letters to the Bureau at ConnectAmerica@fcc.gov.⁴ To elect the revised support amount for a state or states, a carrier must submit a letter signed by an officer of the company confirming that the carrier elects the A-CAM II support amount as specified in Report 16 released today and commits to satisfy the specific service obligations associated with that amount of model-based support.⁵ If a carrier fails to submit any final election letter by the **July 17, 2019** deadline, it will be deemed to have declined the A-CAM II offer and will continue to receive current support amounts and be subject to Connect America Fund Broadband Loop Support deployment obligations. Carriers submitting election letters will receive an e-mail confirming that their letters have been received and reviewed for completeness and should contact the Bureau **no later than 4 p.m. on July 17, 2019** if they have not received such confirmation. Confirmation of receipt does not constitute authorization to receive A-CAM II support pursuant to the terms of the offer. Carriers electing the A-CAM II support will not begin receiving such support until the Bureau issues a public notice authorizing the Universal Service Administrative Company to disburse the appropriate amounts.

II. ADJUSTMENTS OF A-CAM SUPPORT DUE TO NUMBER OF LOCATIONS IN ELIGIBLE CENSUS BLOCKS

The Bureau also seeks comment on approaches to identify and resolve apparent discrepancies between the number of model-determined funded locations that A-CAM I and II support recipients are expected to serve (funded locations) and the actual number of locations that support recipients can serve (actual locations). In the *2016 Rate-of-Return Reform Order*, the Commission stated that “[c]arriers that discover there is a widely divergent number of locations in their funded census blocks as compared to the model should have the opportunity to seek an adjustment to modify the deployment obligations.”⁶ The Commission further delegated authority to the Bureau to address these discrepancies “by adjusting the number of funded locations downward and reducing associated funding levels.”⁷

In September 2018, the Bureau sought comment on the same issue with respect to Connect America Fund Phase II auction support recipients.⁸ The Bureau directs interested parties to that Public Notice and asks them to provide comment regarding whether the procedure proposed in that instance would be appropriate for A-CAM recipients.⁹ If not, parties are invited to comment on what changes

⁴ To facilitate prompt resolution of the voluntary path to the model, carriers are encouraged to submit their election letter prior to the deadline to the extent feasible.

⁵ If a carrier’s A-CAM II offer is not one of the offers corrected today, it may accept the offer in Report 15, which is exactly the same as Report 16.

⁶ *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order, Order and Order on Reconsideration and Further Notice of Proposed Rulemaking, 31 FCC Rcd 3087, 3102, para. 34 (2016).

⁷ *Id.*

⁸ *Wireline Competition Bureau Seeks Comment on Procedures to Identify and Resolve Discrepancies in Eligible Census Blocks Within Winning Bid Areas*, WC Docket No. 10-90, Public Notice, 33 FCC Rcd 8620 (WCB 2018) (*Locations Adjustment Public Notice*).

⁹ Pursuant to the Regulatory Flexibility Act, 5 U.S.C. 603, we also seek comment on how any proposed changes would impact small business, and how that impact could be mitigated, as outlined in the earlier Initial Regulatory Flexibility Analysis in the *Locations Adjustment Public Notice*. See *Locations Adjustment Public Notice*, 33 FCC Rcd at 8632-43, App. A.

would be necessary to make those procedures appropriate for A-CAM recipients. Comments should address the unique characteristics of A-CAM support recipients as it relates to the locations adjustment issue and should be submitted by the date indicated on the first page of this Public Notice.

Initial Paperwork Reduction Act of 1995 Analysis. This document contains proposed modified information collection requirements. The Bureau, as part of its continuing effort to reduce paperwork burdens, invites the general public and the Office of Management and Budget (OMB) to comment on the information collection requirements contained in this document, as required by the Paperwork Reduction Act of 1995, Public Law 104-13. In addition, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, see 44 U.S.C. 3506(c)(4), we seek specific comment on how we might further reduce the information collection burden for small business concerns with fewer than 25 employees.

Permit but Disclose Ex Parte Contact. For the purposes of the Commission's *ex parte* rules, information filed in this proceeding will be treated as initiating a permit-but-disclose proceeding under the Commission's rules.¹⁰ Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies).¹¹ Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation.¹² If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum.¹³ Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b).¹⁴ In proceedings governed by rule 1.49(f) or for which the Commission has made available a method of electronic filing, written *ex parte* presentations and memoranda summarizing oral *ex parte* presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (e.g., .doc, .xml, .ppt, searchable.pdf).¹⁵ Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules

Comments. Pursuant to sections 1.415 and 1.419 of the Commission's rules, interested parties may file comments on or before the date indicated on the first page of this document.¹⁶ Comments may be filed using the Commission's Electronic Comment Filing System (ECFS), <http://fjallfoss.fcc.gov/ecfs2/>.¹⁷

Paper Filings. Parties who choose to file by paper must file an original and one copy of each filing. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings submitted to the FCC must be addressed to the

¹⁰ See 47 CFR § 1.1206.

¹¹ *Id.* § 1.2016(b)(2)(iii).

¹² *Id.* § 1.206(b)(1).

¹³ *Id.*

¹⁴ *Id.* § 1.1206(b)(2).

¹⁵ *Id.* § 1.1206(b)(2)(i); see also *id.* § 1.49(f).

¹⁶ 47 CFR §§ 1.415, 1.419.

¹⁷ See *Electronic Filing of Documents in Rulemaking Proceedings*, GC Docket No. 97-113, Report and Order, 13 FCC Rcd 11322 (1998).

Commission's Secretary, Office of the Secretary, Federal Communications Commission.

- *Hand or Messenger Delivery.* All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th Street, S.W., Room TW-A325, Washington, D.C. 20554. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. The filing hours are 8:00 a.m. to 7:00 p.m.
- *Commercial Overnight Mail.* Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.
- *U.S. Postal Service First-Class, Express, and Priority Mail.* U.S. Postal Service mail must be addressed to 445 12th Street, S.W., Washington D.C. 20554.

People with Disabilities. To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

Additional Information. For additional information on this proceeding, contact Ted Burmeister at (202) 418-7389 or Theodore.Burmeister@fcc.gov, of the Wireline Competition Bureau, Telecommunications Access Policy Division.

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APPENDIX
COMPANIES RECEIVING CORRECTED A-CAM II OFFERS

IA	FRMRC	Farmers Mutual Telephone Cooperative Shellsburg
IA	FRMRS	Farmers Mutual Telephone Company of Stanton, Iowa
IA	GRND4	Grand River Mutual Telephone Corporation
IA	HRTF	Heart of Iowa Communications Cooperative
IA	HXLY	Huxley Communications Cooperative
IA	KLNC	Kalona Cooperative Telephone Company
IA	MNRV	Minerva Valley Telephone Company, Inc.
IA	SHRN	Sharon Telephone Company (IA)
IA	SLLY	Sully Telephone Association
IA	SRSB	Searsboro Telephone Company
IA	STHS	South Slope Cooperative Telephone Company, Inc.
IA	WLLM	Wellman Cooperative Telephone Association
IA	WNNB	Winnebago Cooperative Telephone Association
IA	WSTL	West Liberty Telephone Company
IL	LHRP1	LaHarpe Telephone Company, Inc. (IL)
IL	MCDN2	McDonough Telephone Cooperative Inc.
IL	WBSH	Wabash Telephone Cooperative, Inc.
IL	ZMPH	ZMP Holding Company
KY	DCNT	Duo County Telephone Cooperative Inc.
KY	PPLS3	Peoples Rural Telephone Cooperative Corporation, Inc.
KY	STHC	South Central Rural Telephone Cooperative Corporation
KY	WSTK	West Kentucky Rural Telephone Cooperative Corp. Inc.
LA	AMRC	American Broadband Communications et al.
MN	FDRT	Federated Telephone Cooperative
MN	FRMR8	Farmers Mutual Tel
MN	NWLM	New Ulm Telecom, Inc.
MO	TWNS	Townes Telecommunications, Inc.
NC	WLKS	Wilkes Telephone Membership Corporation
ND	DCKY	Dickey Rural Telephone Cooperative
ND	MRLB	Moore & Liberty Telephone Company/Griggs County Telephone
ND	PLRC	Polar Communication Mutual Aid Corporation
NM	MSCL	Mescalero Apache Telecom, Inc.
NM	TLRS	Tularosa Basin Telephone Company, Inc.
OK	CHCK	Chickasaw Holding Company
OK	CNTR	Central Oklahoma Telephone Co.
OK	TTHC	Totah Communications, Inc.
OK	TTHL	TOTE Holdings LLC